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WORLD BANK OPTIMIST FOR MACEDONIA

The World Bank is satisfied with Macedonia's process of the European Union integration, Orsalia Kalantzopoulos, World Bank Country Director and Regional Coordinator for South East Europe, said after the meeting with the Macedonian Vice Prime Minister Radmila Sekerinska. According to her, the optimistic evaluation of the World Bank lies on the stable fiscal policy of the country, low inflation rates and reform processes in general. All these facts, she said, would create an economic progress and possibilities for new employments.

Kalantzopoulos said that Macedonia has proved as a successful story in the Regional Committee and in numerous spheres. According to her, the macroeconomic potentials, such as the low inflation rates are important image for the country for attracting capital, but also the implementation of judiciary reforms is necessary for facilitating the procedures, which is important for foreign investors.

Sekerinska informed her on Macedonia's further activities for EU membership, saying that 2005 will be a crucial year on the road to NATO and the EU, i.e. a year when Macedonia should implement the judicial reforms and create a plan for long-term sustainable economic development. She stressed that the positive change of the EU's policy towards Macedonia was obvious, adding that further efforts would be made for improvement of country's performances in all spheres.

NEW IMF ARRANGEMENT WILL FOCUS ON STRUCTURAL REFORMS

Government resumed the talks with the International Monetary Fund for a new arrangement. "The arrangement discussed with the Macedonian officials from February 8 - 24 refers mainly to the structural reforms. The most important thing is to focus on fundamental problems which Macedonia face with and not whether it will be EFF or stand-by arrangement," Head of IMF mission to Macedonia Franek Rozwadowski said prior to start of the talks.

He said that arrangement will last two or three years depending on the contents of the program. "Only one day is needed for carrying out certain measures while others require longer preparation and then implementation," Rozwadowski said. Head of IMF mission considers that it is too early to speak about when the new arrangement can be expected. Macedonian team urged for a three-year reform arrangement. The first round of talks was held in October 2004.

SSM, IMF FAIL TO COORDINATE POSITIONS ON LABOR RIGHTS

Head of the International Monetary Fund (IMF) Mission to Macedonia Franek Rozwadowski and leader of the Federation of Trade Unions of Macedonia (SSM) Vanco Muratovski failed to coordinate their positions on labor rights. "The meeting has shown that each party has its own opinion. IMF and the World Bank consider that a liberalization of the labor regulations will contribute to opening new jobs and economic prosperity. SSM's position is quite opposite," Muratovski said.

IMF was in favor of drastic reforms, which will create favorable conditions for economic development. SSM considered as unacceptable the IMF recommendations for flexible dismissal from work, reduction of holiday and absence days, Muratovski said. SSM supported IMF recommendations for reforms that would attract foreign investments, saying that the goal may be accomplished not by changing the labor law but by eliminating the political instability.

Rozwadowski gave credit to Macedonia for achieving a macroeconomic stability and surpassing the fiscal misbalance due to the 2001 crisis. He said IMF would keep supporting Macedonia in its efforts towards economic prosperity. "Reforms will send solid message that Macedonia has become better place for business and investment, offering better conditions to companies for opening new jobs. IMF recommends and supports modifications in the labor market that will improve the conditions for signing labor agreements between employees and employers," Rozwadowski said.

Both parties agreed on the necessity for judicial reforms that would facilitate the procedure for business activities, which is now very complicated in Macedonia.

PM BUCKOVSKI MET IMF HEAD ROZWADOWSKI

The ongoing talks between Macedonian Government and IMF as well as the tempo of carrying out structural reforms were the topics of discussion at the meeting between Macedonian PM Vlado Buckovski and IMF Head to Macedonia Franek Rozwadowski. Deputy PM for Economic Policy Minco Jordanov and Finance Minister Nikola Popovski also attended the meeting.

Rozwadowski said that the government has taken good direction in carrying out structural reforms and PM and GOM's cabinet showed resoluteness for this. PM Minister's Cabinet press release reads that the priorities in the reforms should be focused on judiciary, labor market and health sector.

Buckovski and Rozwadowski said that besides top priority in the reforms which is attraction of foreign investments and boosting business climate in Macedonia, structural policy should also be important. Creating favorable business climate can only be built through consistent functioning of the judiciary and flexible labor market.

Buckovski said that a short agenda for priorities in the first six months of 2005 regarding judiciary reforms is expected to be promoted. It is very important to send a clear message that consensus with the opposition exists in relation to the constitutional changes which will be the basis of judiciary reforms, PM Buckovski said.

Rozwadowski, after the meeting, said that the reforms are significant for the arrangement, adding that the length of IMF arrangement dictates the nature of the measures that should be taken. "If the measures are short and rapid then the IMF arrangement will be also short and rapid," Rozwadowski said.

PART OF RUSSIAN DEBT TO MACEDONIA TO BE ALLOCATED FOR GAS PIPELINE AROUND SKOPJE

About US\$ 15 million of the Russian debt to Macedonia will be paid by a construction of gas pipeline around Skopje - a project that includes Macedonian "Gama" and Russian "Rosneftegazstroy" companies. Macedonian Vice Prime Minister for Economic Affairs Minco Jordanov and representatives of both companies had a meeting on February 22, discussing possibilities for realization of other projects, chief of Jordanov's Cabinet Ivica Bocevski said. "However, their realization will start after signing inter-governments agreement on the payment of Russian debt," Bocevski said.

He added that Dmitry Tarasov, First Deputy Director of the Russian oil company "Lukoil", would visit Macedonia in early March. Macedonian Government considers the construction of a gas ring around Skopje one of its priority projects, Vice-President of the Russian company "Rosneftegazstroy" Vassili Medvedenko said in an interview with ITAR-TASS after the two-day negotiations with Macedonian officials in Skopje.

Medvedenko said that his company is ready to take part in the construction of Macedonia's gas infrastructure. He also said that local workers and experts would be engaged in the realization of this project, which will cut the expenses and open new job opportunities.

SLOVENIAN COMPANY "MERKUR" INVESTS EURO 1.2 MILLION IN MACEDONIA

Slovenian company "Merkur", which has been present in Macedonia for 30 years, opened the first business center "Merkur Macedonia" in Skopje on February 23. The investment is worth Euro 1.2 million. Prime Minister Vlado Buckovski officially opened the object, saying that the GOM's strategic goal was economic development in the country. He added that the presence of "Merkur" with the new business object was a confirmation that there were potentials and possibilities for expansion of the cooperation, while the government's role was to urge all entities that intend to engage in market activities in Macedonia.

"Your efforts are aimed at growth and development, which deserves our respect. Therefore, this day marks a new beginning for the successful work of affirmed businessmen from Slovenia and Macedonia, who know the economic ambience and market conditions in our country", the Macedonian PM said.

Director of "Merkur Macedonia" Metodi Petrov stressed that the company was present in Macedonia through products required in industry and economy, while the future plans focused on household appliances. "Merkur" is among the five largest companies in Slovenia, experiencing huge expansion at the Croatian, Bosnian, Serbian and Macedonian markets in recent years, along with activities at the Italian and other European markets. The new business center is built at a space of around 2,200 m², offering quality sheet metal, steel, assortment of colored materials, welding materials, machines etc.